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DDA 76-3691

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23 July 1976

OGC HAS REVIEWED.

MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM : John F. Blake
Deputy Director for Administration

SUBJECT : Inspector General's Report on the Survey
of the Office of Personnel

1. Attached for your review and approval is the Inspector General's Report on the Survey of the Office of Personnel. Also attached is the position of the Director of Personnel on the recommendations contained in that report. Lastly, there is attached a memorandum to you from the Inspector General which calls to your attention the one major unresolved issue.

2. The one major unresolved issue between the Inspector General and the Director of Personnel is indeed one of great significance. All parties to this issue have fully developed their positions in writing and nothing more is to be gained by authoring additional long epistles on the matter. I have suggested to the Inspector General, and he agrees with me, that I present you with the following suggestion. Because of the significance of the issue I believe you owe it to yourself, to the Inspector General, and to the Director of Personnel to hear verbal presentations on this matter and for you to have the opportunity to question and probe on the issue. Both John Waller and myself suggest that you schedule a joint session with all parties concerned and have that type of airing of the issue.

/s/ John F. Blake

John F. Blake

3 Atts (Survey Report; OP Position (DDA 76-2735; DDA 76-3673 (Memo to DDA fr IG; and DDA 76-3113, Memo to DDA fr IG)

Distribution: 1- DDA Subject w/atts & background

Orig - DDCI w/Atts 1- DDA Chrono w/o " " 25X1

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DD/A - Personnel

76-2735

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76-1483

28 MAY 1976

MEMORANDUM FOR: Inspector General

FROM : F. W. M. Janney
Director of Personnel

VIA : Deputy Director for Administration

SUBJECT : Response to the Inspector General's Report of
Survey of the Office of Personnel (March 1976)

REFERENCE : Memo for DD/A fr IG dtd 30 Mar 76, subj: Office
of Personnel Survey Report

1. We have completed our review of the Report of Survey of the Office of Personnel and wish to commend the members of the Inspection Staff team for their conscientious effort and the overall affirmative tone and many constructive suggestions and recommendations contained in the report itself.

2. As indicated in the Inspector General's report, the team initiated its survey effort by conducting interviews with "users," including senior- and middle-level supervisors, of services provided by the Office of Personnel and related many of their observations and findings in the report to customer perceptions of the role they ascribed to the Office of Personnel. Many of these customer perceptions - particularly as regards Agency personnel management - are not consistent with the realities of the Office of Personnel's responsibilities vis-a-vis those within the scope of the Agency's senior component managers. This important aspect of the IG report has clearly pointed out the need for particular emphasis in clarification of respective roles and responsibilities through improved communications and formal orientation sessions.

3. We consider those portions of the Inspector General's survey that pertain to the Office of Personnel's position management and classification functions as most significant in terms of impact on the welfare of the Agency at large, and have prepared a special response to this aspect of the report and have included certain recommendations alternative to those suggested by the Inspection team.

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3. We have addressed our specific responses to the Inspector General's report in three parts:

- a. Tab A - Review and Comments on Recommendations Contained in IG Survey (less those pertaining to PMCD functions).
- b. Tab B - Response to the Inspector General Survey Report as Related to the Position Management and Classification Function of the Office of Personnel.
- c. Tab C - Review and Comments of the Narrative Conclusions Contained in the IG Survey of the Office of Personnel.

(Signed) F. W. M. Janney

F. W. M. Janney

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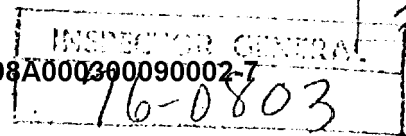
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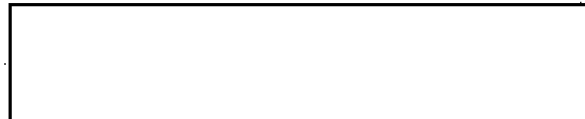
30 MAR 1976

MEMORANDUM FOR: Deputy Director for Administration

SUBJECT : Office of Personnel Survey Report

1. Two copies of the subject report are attached; one for your information and another for forwarding to the Director of Personnel. I have also attached copies of my memorandum to the DCI about this report.

2. I would appreciate receiving within 60 days your comments on this report and word of your concurrence--or reasons for non-concurrence--with its recommendations.



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Donald F. Chamberlain
Inspector General

Attachments:
As Stated



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Review and Comments on Recommendations Contained in IG Survey of the Office of Personnel

1. Recommendation No. 1 (Tab A - Page A-12)

"That the Office of Personnel implement a means by which the condition of active Official Personnel Folders can be assessed in terms of the presence of misfiled or unauthorized documents and the absence of documents that should be included. If widespread serious inadequacies are found to exist, review and correction of all active folders should be undertaken."

Comment:

The Office of Personnel has long had procedures for continuous sampling of the Official Personnel Folders to identify the presence of misfiled or unauthorized documents. On the basis of the statements and recommendation of the Inspector General, we will develop and institute additional surveys by inviting an appropriate number of employees from various components to personally review their own Official Personnel Folders to determine the presence (and extent) of misfiled or unauthorized documents and the absence of documents that should be included in accord with Agency policy. The results of this survey will be studied to determine the need for a review and correction of all active Folders. The Office of Personnel Central File Room receives and files some 112,000 documents in an average year. Under improved procedures instituted in March 1975 and the addition of two part-time employees in January 1976, filing backlogs were eliminated. All documents received in a current week are filed in the OPF prior to the end of the following week.

2. Recommendation No. 2 (Tab A - Page A-15)

"That the Director of Personnel assume custody and responsibility for all Official Personnel Records on contract employees."

Comment:

The Office of Personnel supports this recommendation. We propose that the IG should recommend to the DCI that he issue instructions to the Deputy Directors that this program will be implemented. There are space and manpower problems, however, which must be resolved in

order to do so. At present there are approximately [] active contract employee files for full-time permanent, part-time and intermittent employees, requiring 41 cubic feet of storage space. At least twice that amount of space will be required to accommodate the records which make up official personnel files. This would include the redesign of the files with dividers and the inclusion of new material such as PHS forms and Fitness Reports which will soon be required for all contract employees in any case. The establishment of these official files and the day to day maintenance thereafter will require the services of additional file clerks.

3. Recommendation No. 3 (Tab B - Page B-16)

"That the Director of Personnel, working with the Director of OJCS, review the priorities for PERSIGN II in terms of manpower assigned and the physical arrangements allotted to staffs."

Comment:

We concur with this recommendation. The DDA has recently established a MAPS Review Committee, made up of representatives from each of the primary user offices who are meeting to reaffirm the relative priorities of all of the MAPS related projects to assure adequate OJCS manpower coverage on first priority tasks. The number of OJCS personnel reported as "assigned" to PERSIGN tended to create impressions of fuller coverage than was in fact the case. Other priorities imposed on OJCS continuously tended to drain manpower resources from PERSIGN and other related MAPS projects. Maintenance of PERSIGN I, the RCA 501 system and the PERCON program, the enlargement of the data base to permit interface of PERSIGN with CENBAD, CENCO, the PAYROLL system, etc. have all contributed to the staffing problems. The physical work space of the OP staff (i.e., ADRS) analysts had been very poor in the Headquarters location but is much improved in their new location with OJCS in [] Building but still leaves something to be desired in terms of "quiet" areas necessary to further design of specifications for the PERSIGN II system.

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4. Recommendation No. 4 (Tab B - Page B-16)

"That the Director of Personnel, working with other Offices concerned with the MAPS program, review the elements of PERSIGN II and assign subsidiary priorities to those which do not represent key elements of personnel data urgently needed for managerial decisions or for provisions of personnel services."

Comment:

This is a valid recommendation. Priorities, emphasis, statutory requirements and Agency policies have and will continue to change as PERSIGN II is developed, requiring continuous updating of the system to assure its future responsiveness to Agency requirements when fully implemented. Basically, the elements in PERSIGN II are those appearing on the Notification of Personnel Action which conform with Civil Service standards and Payroll system requirements plus a certain amount of Fitness Report and overseas service data for CIARDS. Some items peculiar to the Agency were added, such as PRA, development complement and sub-category data, but these are necessary to service reporting requirements levied by Agency regulation on the Director of Personnel to support Heads of Career Services and operating components. Questionnaires were sent to all users of reports several years ago requesting suggestions for changes and additions. Some of the suggested additions were included in the design of PERSIGN II but most were rejected as being too specialized or inapplicable to the Agency as a whole; for example, health problems of wife or children, projected rotational assignments or training, special work related skills, etc. It has always been envisioned that PERSIGN II would provide the basic personnel data for subsidiary systems which could be tailored to meet individual Office and Career Service specialized requirements.

5. Recommendation No. 5 (Tab B - Page B-16)

"That the Director of Personnel request that the Director, OJCS obtain his concurrence before undertaking personnel-related jobs for other organizations that are likely to impact unfavorably on early completion of PERSIGN II."

Comment:

We concur. There is a mutual understanding that OJCS will not undertake personnel-related projects without the approval of the Director of Personnel but this point should be reemphasized because pressure is building up again for individual manning tables for all of the Offices in the DDO. Many of the Agency's component managers are not fully appreciative of the current state of development of the MAPS systems and the limited resources that OJCS has available to bring up the primary project (PERSIGN II). Diversion of OJCS resources immediately creates slippage in progress toward completion of PERSIGN II.

6. Recommendation No. 6 (Tab D - Page D-8)

"That the Director of Personnel find means as soon as possible of conveying to component managers a more accurate view of the capabilities and achievements of RAD's outplacement assistance program."

Comment:

We support this recommendation and will take the following actions to effect accomplishment:

- a. Include appropriate information on the official bulletin boards under the category "Did You Know."
 - b. Prepare an article on this subject for the DDA publication, "The Exchange."
 - c. Consider the issuance of a Headquarters Notice.
 - d. Have C/RAD contact the various Career Services and offer a briefing to their staffs concerning the services of RAD.
 - e. Insure that OP officials in addressing various groups include comments regarding outplacement activities.
7. Recommendation No. 10 (Tab H - Page H-9)

"That the Director of Personnel, in collaboration with the Director of Training, develop a one-week training course for Office-level managers and their deputies on CIA Personnel Administration and Management and that the Director of Personnel join with the Inspector General in recommending to the Management Committee that all Washington-area Office-level managers and their deputies be required to attend a running of this course within a year of its initiation."

Comment:

In our comments relative to the IG's Recommendation No. 7, we included the proposal that the Office of Personnel establish a position management and classification orientation program to educate Agency managers on the objectives and responsibilities of these managerial elements. In addition to that proposal, we concur with the intent of Recommendation No. 10 and will explore the matter with the Director of Training. We propose, however, the following alternative recommendations:

- a. That required attendance at this course be directed at all current Division and Branch-level managers and in the future, all newly assigned officers at these levels within three months of their assignments.

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- b. That the Inspector General recommend to the DCI that he issue implementing instructions to the Deputy Directors stressing mandatory attendance at this course by their appropriate level managers.
- c. That pertinent subject material be covered in a three-day course rather than a full week-long program.

The Office of Personnel presently has an hour at the IWA, an hour, plus an evening session shared with EEO and the Office of Security, at the Midcareer, and two hours at the Management Seminar to cover certain aspects of the Agency's personnel management system. The time allotted in these courses is barely sufficient to cover the specific topic and allows no time to review the functions and the responsibilities of OP as a whole. We have been discussing within OP the need for a greater segment of time in these courses to permit a "whole picture" presentation, and will be taking the matter up with the Director of Training. We feel that understanding and comprehension of OP's role in the Agency's management system is essential for supervisors and managers at all levels, and believe, in addition to the course for "Office-level managers," improvement can be made by expanding the current presentations.

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Response to the Inspector General
Survey Report as Related to the Position
Management and Classification Functions
of the Office of Personnel

1. Introduction

a. The Agency's position management and classification function is sufficiently important to warrant a separate response and specific recommendations by the Office of Personnel.

b. The position management and classification function of CIA, other Federal agencies and organizations in private industry is acknowledged by managerial "experts" as one of the most vital and significant elements of any large and complex organization's personnel function that permits top management of an organization to translate raw personnel ceiling and manpower budgetary allocations into organizational and graded position structures as a basis for the recruitment, assignment, retention, and promotion of the workforce to accomplish the missions of the Agency. Inherent in the position management and classification program is the need to maintain pay equity for comparable positions throughout the total organization, reasonable comparability with similar jobs outside the organization (to assure competitive status in the recruitment of qualified applicants and the retention of the onboard workforce), permit Agency control over average grade levels and preclude unjustifiable upward creep in payroll costs. It is essential that a centralized control mechanism be maintained overseeing and fulfilling Agency position management and classification functions so as to provide the Director with an effective means to carry out his responsibilities in this vital area of Agency management.

c. We believe that the Inspector General team was seriously limited in terms of the time available to research fully such a technically complicated professional function and, therefore, based many of their conclusions on "customer" reactions, some quite valid but many quite superficial and parochial. Nevertheless, the IG team did explore the PMCD function and developed a number of conclusions and recommendations worthy of consideration and action.

2. Background

a. One of the dynamic factors central to the evolving scope and structure of the Federal Compensation System has been the changing nature of the workforce needed by the Federal Government to perform its mission. The growing complexity of the Federal mission has led to a parallel growth in the variety of skills required in the Federal workforce, as reflected in the great number of distinct occupations and jobs found today in the Federal Government. It is the task of the classification and pay system to keep pace with these developments in order to establish fair and equitable salary distinctions among the

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myriad occupations and jobs in the Federal service. The need to establish and maintain this appropriate internal alignment of pay rates within the Federal service has been a continuing problem for Congress and the Executive Branch.

b. Over the years, the Federal compensation system has developed from a simple, almost ad hoc, process to the current highly structured and intricate system. According to legislation passed by Congress in 1795, agency heads could use their own discretion to determine how many clerks to hire and how much to pay them, provided that the agencies did not exceed either their appropriations for salaries or the maximum salaries established by Congress. From 1818 to 1830, Congress used what came to be called the "Statutory Role" system of appropriating money for Federal salaries. A specific number of clerks was allocated to each agency, and a ceiling was placed on salaries, not only among but within agencies. With the growth of Federal service and proliferation of agencies, Federal employees began voicing concern about the lack of systematic internal alignment in the Federal service. For almost a hundred years, Congress recognized the need for some means of attaining this goal but it was not until the Classification Act of 1923 that Congress established a formal policy of systematic internal alignment. Such a policy was expressed in that Act as requiring "equal pay for equal work" for all employees subject to the Act. This policy was reaffirmed in the Classification Act of 1949 which created the present General Schedule (GS) system. Although CIA was exempted from the Classification Act of 1949, the Agency is on record that it would follow the basic philosophy and principles of the Act.

c. During the past eighteen months there have been voiced a number of additional concerns regarding the rising costs of Federal compensation and particular concern over the escalation of position grade levels. Emphasis toward curbing this escalation is focusing an increased centralization of responsibility with top Agency management. In early 1975, President Ford expressed his concern over rising personnel costs and asked the help of heads of Departments and Agencies in slowing the upward trend. CIA's support for these efforts was reaffirmed in May 1975 in a letter from Director William E. Colby to the Director of OMB in which the Agency's scheduled position management and classification surveys were listed as a significant means of insuring maximum efficiency and economy in the use of personnel. The Civil Service Commission, in its "Report to the President on Cost Reduction Initiatives in Personnel Management" in November 1975, listed position management and classification as one of the areas offering significant cost reduction opportunities. Additionally, the Comptroller General submitted a "Report to Congress" in December 1975 expressing in the strongest terms that the classification of Federal white-collar jobs should be better controlled. Specifically, the report stated that "Maintaining the integrity of the classification system is agency management's direct responsibility. But some manager's attitudes are not conducive to

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making the classification process work: managers have inflated position descriptions, pressured classifiers to overgrade positions and have been reluctant to downgrade overgraded positions," and "because of some agencies' weak controls and pressures exerted on classification, the problem warrants considerably more management attention." Finally, the recent institution of a new Senate Oversight Committee on Intelligence makes it imperative that the Director be supported and protected by a strong personnel management system assuring maximum effectiveness in the manpower resources area.

3. General

a. The IG Report identified many of the problems encountered in the current operation of PMCD's position management and classification program. As noted in the IG Report, PMCD has recognized these problems and has been taking a number of corrective measures to improve PMCD staffing and develop clearer, more precise position standards and evaluation systems. Unfortunately, the IG Report contained what we consider to be a number of misconceptions concerning the operations, methodology, and goals of PMCD's position management and classification program. The Report relies heavily on Agency component customer reaction and interpretation of PMCD's program, and it is possible that this factor led to many of the apparent inconsistencies and misunderstandings which we find in the Report. The lack of a clear definition of authorities and an appeal and enforcement system identified in the Report are certainly valid and critical elements relating to the improvement of performance of the program. However, the recommendations and conclusions made by the IG in its Report do not fully address the resolution of these problem areas within the context of job/pay equality.

b. As cited in the IG Report, there is a fundamental requirement to establish and maintain an Agency job/pay equality system, and PMCD is now the heart of the Agency system which represents to OMB and CSC an active, demonstrable effort to enforce CIA's policy of general conformance to the concepts and principles of the Classification Act of 1949. PMCD performs these functions through a program which includes a combination of periodic entire component surveys; surveys and reviews of component partial reorganizations as required; and individual position reviews requested by components. All of these methods involve similar elements of evaluation such as comparisons with established CSC and Agency standards, comparisons with other organizations and positions within the Agency, and comparisons with organizations and positions in other Government agencies and, in some cases, private industry. Since the Agency is committed to follow the basic philosophy and principles of the Classification Act of 1949, any departure from these norms would make the Agency vulnerable to external questions concerning the validity and equity of its position and pay structure.

c. Although CSC position standards are utilized as an integral part of the Agency classification system, PMCD has long recognized that these standards cannot be applied rigidly in evaluating Agency positions. The mission of the Agency and the environment in which it

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operates necessitate the consideration of unique functions in many CIA positions that are not found in positions elsewhere in Government. Because of this, PMCD has used the CSC standards only as general guidelines in evaluating occupations and positions according to such factors as the skills, knowledges, and responsibilities incorporated at various grade levels, and as a basis from which to evaluate the additional unique functions found in many Agency positions. In addition to these general guidelines, position audits are conducted to clarify the specific responsibilities, functions and peculiarities of the positions being reviewed, as well as the incumbent's involvement in the component's programs. Position evaluations based on comparisons without detailed knowledge of the functions, responsibilities, and program involvement would result in a superficial and unacceptable allocation by title and pattern.

d. The classification of positions cannot involve merely the review of the specific position in question without some understanding of its relation to other positions within the organization in which it functions. Many organizations can effectively utilize the traditional hierarchial structure, while others can more effectively utilize a less structured or team concept. The type, level, and fluctuations of workload requirements must be considered to insure that the position allocations not only meet the principles of proper job/pay equality, but are also responsive to the needs of the organization concerned. Because the methodology of PMCD's position management and classification program incorporates all of these factors in the allocation process, it is difficult to understand the IG comment that "PMCD considers only hierarchial organizational structures, makes position comparisons by title and grade rather than by specific factors and responsibilities, and does not consider workloads when recommending professional-to-clerical ratios." It is precisely the manager's constant need to restructure his resources and adapt positions to the talents of available personnel that underlies the basic function of position management and classification as performed by PMCD. For these reasons, the role of PMCD has for several years included not only classifying, or pricing positions, but also the function of position management which incorporates considerations of organizational structure and position relationships.

e. An important part of PMCD's position management and classification program is the periodic survey program instituted approximately five years ago. This program was designed to include a complete organizational and position review of each Agency component by PMCD once every three years. It was instituted to address many of the areas in which the IG noted component criticisms and does in fact provide feedback to component management concerning the overall structure and organization of the component. This feedback usually involves comments regarding under-utilized manpower, duplication of work effort, unclear supervisory channels and other related items. It is provided with the full recognition that it is the manager's prerogative to accept or reject the organizational and management related recommendations.

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Such recommendations, however, are based on total component survey audits in which the employees themselves have provided much of the information concerning the problem areas. The conduct of these surveys, either in terms of evaluating position levels and structures or in terms of providing feedback to management concerning apparent organizational anomalies, is entirely within the capabilities of a professionally trained GS-12 or GS-13 Position Management Officer who functions as a specialist in evaluating positions and position structures.

f. Criticisms relating to the delays in obtaining and completing PMCD reviews are valid in many cases. In terms of workload, the Position Management Officers in PMCD are presently responsible for approximately three times the number of positions handled by classifiers in most other Government organizations. This workload has been further compounded by the need to allocate considerable time and resources to develop an Agency variation of the new Federal Factor Evaluation system. Additionally the unexpected and extensive revisions of the Federal guidelines and rules for implementation of the Fair Labor Standards Act imposed severe workload pressures on the Division. To meet these problems, PMCD has increased its staffing through the recent assignment of several trainees and is attempting to retaylor its component survey program to reduce the number of surveys to those in particularly critical areas.

g. In addition to these suggested areas of possible improvement in the current position management and classification program in the Agency, the IG Report has validly identified several fundamental issues which greatly impact on the effectiveness of the program. The issues of unclear control authorities, and the need for an effective formal appeal and enforcement system, have a direct bearing on PMCD's effectiveness, and therefore on the Agency's position management and classification program. However, the IG recommendation that these issues be resolved by delegating to Deputy Directors the authority to establish positions and to hear and decide classification appeals would likely result in a large sacrifice of position/grade equality and overall program quality. In addition to a loss of equity, experience has shown that a decentralized system usually requires greater manpower to accomplish the same tasks than would a centralized system. Decentralized classification systems have already been tried in the State Department and other Governmental organizations with distressing results. The State Department's experiment with decentralized classification is particularly worth noting, as summarized in a Department of State Newsletter (May 73):

"The Department is implementing recommendations that resulted from a worldwide classification study of all Foreign Service officer positions.

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This study, which is the outgrowth of Management Reform Recommendations and work of Task Force 1 in September-October 1970, has sought to establish a valid position classification structure for the Foreign Service. All officer positions, regardless of their location (U.S. or abroad) and pay plan (FSO, FSR, FSRU, FSSO), were individually reviewed by a professional staff of classification analysts to determine their appropriate level.

To recount briefly the reasons for this study, it will be recalled that from June 1962 until February 1971 position classification authority was delegated to major organizations of the Department.

A general escalation of grade/class levels took place during this period. This is attributable to several causes, primarily (a) pressures by management within the bureaus, (b) in some cases, the inexperience of the personnel technician responsible for position classification, (c) a tendency to project future programs or shifts in program emphasis which later failed to materialize, and/or (d) the competition between the bureaus to obtain and retain the best qualified officers which sometimes involved placing artificially higher grades on positions to induce an officer to take an assignment."

"The following illustrates the overall changes resulting from this study:

FSO - 1 and 2	Reduced by 23%
FSO - 3	Reduced by 6%"

To insure that the Agency is not subject to such criticism, the principle of equal pay for equal work must be assured. Such equity must be maintained not only within individual components, but also within the Agency as a whole with an additional relationship to Government-wide pay patterns. Unfortunately, experiments with decentralized classification have demonstrated that managers are much too close to their programs and their personnel to maintain an objective approach to classification. The results generally have been the creation of disparities and a massive escalation in grade levels followed by a return to a centralized classification system in those cases where position classification systems were subsequently audited by an authoritative and objective body. The damage is not easily or quickly corrected, however. Nevertheless, there is indeed a critical need for more direct participation and substantive contributions by operating component

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representatives, clearly defined authorities, and the institution of a definitive appeal and enforcement system in the Agency. Although it has been stated that appeal mechanisms outside the Directorate involved would be unworkable because of the lack of subject expertise of the appeal body, such a system under the Executive Director was successful in the 1960's and similar mechanisms are broadly and satisfactorily applied in other areas of our society such as those involving judges and arbitrators where the prime requirement is the weighing of the presentations of opposing substantive experts. There is no reason to believe that it could not again work in Agency classification.

4. Specific Response to IG Introductory Remarks Concerning
PMCD (Tab G)

a. Page G-3, para 4d.

"PMCD's contributions toward establishing and monitoring job/pay equity are relatively ineffective at grades GS-14 and above . . . its downgrading recommendations sometimes restrict future headroom but have little effect in the sense of causing transfers or demotions of incumbents. As one senior manager puts it, the outcome depends on how well the Office 'snows' PMCD."

Comment:

Concern for establishing appropriate and equitable position grade levels must be a joint responsibility of component managers and PMCD. It is not PMCD's intent to cause a demotion nor require the transfer of incumbents when positions are downgraded. The flexibility of the Agency's staffing system (flexible positions, PRA's etc.) could easily preclude such results in any event. The PMCD objective is to properly grade each position; in terms of managing the Agency's resources, there is reason to expect that managers should have the same objective. The phrase 'how well the Office 'snows' PMCD' implies that managers do not want positions properly graded.

b. Page G-4, para 5.

". . . it is important to note that upward grade creep in CIA is not significantly different from that experienced in most other Federal agencies."

Comment:

A more dramatic and costly increase in the position grade pattern of the Agency has not been experienced only as a result of continuous and positive monitoring by the Office of Personnel whereby

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unjustifiable increases in position grades have not been authorized. In recent months, the President, the Director of OMB and the Comptroller General of the United States have expressed concern over the need for Agency top management to institute measures to reduce the escalation of manpower costs and can be expected to take direct action if the upward grade creep is not contained. Some time ago the Secretary of the Navy decentralized authority to Navy and Marine commands for position classification of civilian positions at the grade GS-15 level. In July 1975, Navy withdrew this delegation of authority because of the unjustified continual increase in the number of positions graded at the GS-15 level. In 1973, the Department of State discontinued its decentralized classification system when internal audits confirmed massive escalation in the number of FSO-1 and FSO-2 positions. From June 74 to June 75, the Agency's position average grade increased from 10.53 to 10.58, an increase of 1/20 of a grade point. [REDACTED]

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c. Pages G-5 through G-7, paras 6, 7 and 9.

"Agency managers . . . allege that PMCD personnel do not understand Agency functions and positions, much less their importance and uniqueness, and insist on using Civil Service standards of position classification which many think are not applicable to the Agency."

"CIA follows the Civil Service wage and grade structure, but the dynamic nature of the Agency's unique role has resulted in management innovations which are not typical of the Civil Service tradition."

"In reviewing a number of PMCD surveys, we find some validity to the frequently voiced assertion that PMCD bases its judgment too closely on Civil Service precepts . . . It goes to some lengths to correlate CIA positions (which are frequently unique to CIA) with positions elsewhere in the Government, e.g., an NSA journeyman computer programmer is a GS-12; therefore, a CIA programmer, who may in actuality work with a much more complex system and set of problems, should be comparably graded. We find many examples where PMCD used comparisons which we judge to be invalid, e.g., we do not think a DCD contact officer should be compared with a DDO case officer to establish grade equity."

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Comment:

While we recognize the need to continuously strive to improve our knowledge and understanding, we do not agree with the allegation that PMCD does not understand Agency functions and positions. Regardless of the classifier's level of experience or the extent of prior knowledge of a component, he can call upon the knowledge and experience of a number of other PMCD officers who have previously surveyed the component, and he also has at his disposal a wealth of previously acquired mission and function data together with specific position information which is maintained by PMCD relative to the particular component. There is little chance that the PMCD officer, in conducting a complete component survey, will not have a clear understanding of the component's mission and functions.

PMCD does not rely on CSC standards for allocating positions. Although PMCD utilizes CSC standards and external comparisons as applicable, grade allocations in general are made on the basis of comparisons with other positions within the CIA. If, in fact, PMCD evaluated positions strictly by CSC standards, many of the Agency's positions would be found to be overgraded by one to three grades. By the same token, it is doubtful that GAO auditors would accept the view that standards which apply to nearly 2 million civil employees have little or no application to the [] employees in CIA. While there are positions and functions in the Agency which are unique to the Federal structure, the uniqueness is not all-encompassing of all positions and functions.

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The Office of Personnel recognizes the value and need for greater substantive participation by representatives for the operating components in the position classification function and strongly recommends formal representation, both as rotating members of the PMCD team organization and within the component under classification survey. The validity of judgments in position grade adjudication actions can only be enhanced by such direct participation.

d. Page G-7, para 8.

"There is an inherent incompatibility between PMCD's preoccupation with fixed, unchanging positions and managers' preoccupations with adjusting positions to fit changing people."

Comment:

The inherent nature of the PMCD function precludes preoccupation with fixed, unchanging positions. Indeed, one of the primary objectives in conducting position management and classification surveys is that of determining whether position duties and responsibilities have changed and making any necessary adjustments in the position grades (upward or downward) to maintain grade equity within the Agency.

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e. Page G-8, para 10.

"We feel there is some confusion in PMCD as to its appropriate role, i.e., whether to ensure job/pay equity or to control the rise in average grade and the like."

Comment:

The primary orientation of PMCD in its classification role is to objectively evaluate positions so as to establish proper position/grade structures and levels throughout the Agency. The Agency's average position grade limitations, like authorized ceiling, is a reality externally imposed by OMB and must be considered in the classification process. We do not feel that job/pay equity and control of average grade are contradictory concepts.

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f. Page G-10, para 14.

". . . Prior to the initiation of the OIG survey, [redacted], a retired employee, was given a contract to conduct a study of PMCD and to make recommendations designed to improve position management and classification in CIA. The Inspection Team found Mr. [redacted] study of considerable value in its own deliberations."

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Comment:

Prior to the recent Inspector General survey, the Agency's position management and classification function, historically a centralized responsibility and authority of the Director of Personnel, had been the subject of an extensive and in-depth study (Report of Survey by [redacted] dated September 1975). The primary purpose of this study was to determine the feasibility of some decentralization of responsibility and authority for these important and essential functions to the Deputy Directors. The IG's statement as presented could lead to the impression that the conclusions and recommendations contained in the [redacted] Report paralleled those put forward by the Inspector General. Nothing could be further from fact. Entirely opposite conclusions on centralization were reached in the two surveys.

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g. Pages G-11 and G-12, para 17.

"We suggest that the [PMCD] permanent staff be given periodic personnel officer rotational assignments to other Agency components (perhaps two or three during a career) to obtain a different perspective and to gain more experience with the problems of other components."

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Comment:

Approximately 70% of the current PMCD staff has served in other Agency components for one or more tours and more than one-third have served tours overseas. The Office of Personnel (as stated before) strongly recommends augmentation of the regular PMCD staff by rotations of substantive career officers from each of the Directorates.

h. Pages G-12 and G-13, paras 18 and 19,

"Some managers argue for decentralized position management and classification. They suggest that professional job classifiers be assigned to Directorates, or even to large components, and that job classification be done wholly within such units. They feel that existing constraints on numbers of positions, senior slots and average grade are adequate to prevent empire building and that, within these constraints, they are best able to decide how to organize their components and assign grade values to positions."

"Such a decentralized system is in effect at the Energy Research and Development Administration (ERDA) and it reportedly works effectively. However ERDA uses a standardized system for evaluating its relatively homogeneous positions and managers have been trained in and are involved in the application of this system, thus ensuring a certain amount of job/pay equity within ERDA. From this and other examples, it appears that a decentralized system can work satisfactorily in some organizations if systematic position standards have been developed and managers understand those standards and are willing to devote time to their application."

Comment:

As noted earlier, the results of decentralization in other agencies have ranged from unsatisfactory to disastrous in terms of maintaining agency-wide grade equity and controlling grade escalation. With reference to ERDA, it is correct that their classification system is decentralized and utilizes a Benchmark/Factor Evaluation and Standards program in their position classification process. ERDA's system was last revised in 1958, does not include benchmarks for all occupations and is considered by their management to need updating. At this time Benchmark/Factor Evaluation and Standards systems are valuable in facilitating the classification process and assure participation by

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substantive component officials in their formulation and application. The system by itself, however, by no means assures job/pay equity within an agency at large and requires a formal oversight mechanism to monitor its proper application in all elements of an organization. ERDA does not have such an oversight control element and no certainty that internal grade equity prevails. Although supervisors classify their own positions, there is no formalized manager training in classification. ERDA is currently planning to develop a five-day course for supervisors which will be administered by a training team visiting the field offices. The effectiveness of the ERDA system in terms of job/pay equity for comparable positions within the organization is questionable. We do not share the IG's view that "From this and other examples, it appears that a decentralized system can work satisfactorily." We are not cognizant of the "other examples" that they are referring to. We do agree, however, that the establishment of valid standards and management participation are necessary.

i. Pages G-13 and G-14, paras 20 and 21

"The Civil Service Commission is developing a position classification methodology called the Factor Ranking/Benchmark System . . . Those who are familiar with the system are enthusiastic over its potential and cite as its advantages that it is easy to understand (and) . . . is a more accurate way to grade positions . . . PMCD has established a separate Branch to develop this system for Agency use."

"The Inspection Team was impressed with the potential of this system and urges the early development and use of an Agency version to improve both position classification and communication on that subject between PMCD and components."

Comment:

As noted, PMCD has already realigned its organization and staff assignments to develop the Federal Factor Ranking/Benchmark System for application within the Agency. The Civil Service Commission is charged with developing the primary guidance for this Government-wide system through the Job Evaluation Policy Act of 1970. In this statute it is stated that "Title II - Statement of Policy, Sec 201: It is the sense of Congress that -

"(1) the executive branch shall, in the interest of equity, efficiency, and good administration, operate under a coordinated job evaluation and ranking system for all civilian positions, to the greatest extent practicable;

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"(2) the system shall be designed so as to utilize such methods of job evaluation and ranking as are appropriate for use in the executive branch, taking into account the various occupational categories of positions therein; and

"(3) the United States Civil Service Commission shall be authorized to exercise general supervision and control over such a system."

We support the IG's views that our efforts on this system be continued.

j. Page G-14, page 14.

"Although most authority in CIA is delegated to the Deputy Directors who supervise the four semi-autonomous Directorates, the Agency must operate as a single organization in its relations with the rest of Government, including its conformance with manning and staffing rules and restrictions. These require that job/pay equity be maintained and monitored throughout the Agency, not just within the Directorates . . . We question, however, whether the Director of Personnel needs to retain authentication control of official Staffing Complements."

Comment:

The "authentication control" of the Director of Personnel is synonymous with final approving authority for an action. The monitoring function to assure that job/pay equity is maintained throughout the Agency would require some form of final "authentication" authority if it is to be meaningful.

k. Page G-17, para 25.

". . . We also question the infallibility of PMCD's judgment. This is not intended as criticism of PMCD or its personnel. They are not and cannot be specialists in all the organizations or position fields they are analyzing; therefore, they will make errors in judgment and their decisions should be subject to review and; if necessary, reversal."

Comment:

PMCD has never claimed infallibility in its judgments. They are, however, professionally accountable in terms of developing the best possible data on which they render judgments. More participation

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and input by knowledgeable substantive officials is essential and necessary in the position adjudication effort. A formal appeal mechanism for final review and decision of unresolved disagreements should be installed.

1. Pages G-18 through G-21, paras 27, 29 and 31.

"The main problem with the Director of Personnel/DDA appeal route lies in the number and complexities of the disputes. Effective and equitable resolution of them all would require amounts of job knowledge, position classification knowledge and study time that are simply not available to those with the high level of authority and respect needed to impose an undesired solution on a Deputy Director. Creation of an appeal authority outside the four Directorates . . . would face the same set of problems."

"We conclude that there are only two solutions available. The present system, lacking real enforcement authority, can be continued and probably be improved . . . but . . . most of the fundamental problems would remain. The other choice is . . . to make the Deputy Directors the appeal and decision authority, while preserving the Director of Personnel's capability and responsibility for monitoring their actions."

"No proof can be offered that the outcome of the shift in authority described above will be good, bad or indifferent. We are persuaded, however, that the risks of serious degradation are not great . . . and return to the present system should be possible if we are proven wrong."

Comment:

In the course of any given year, several hundreds of positions are surveyed and adjudicated without serious disagreement between PMCD and the operating officials concerned. There are nonetheless, some honest differences of opinion which cannot easily be resolved. Many such "issues" originate from the operating manager's view that PMCD is intruding in his area of authority and has no "right" to render opinions let alone judgments on these matters. These managers are strong advocates of decentralization of classification authority to their jurisdiction.

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The IG maintains that "creation of an appeal authority outside the four Directorates" would not resolve the inherent problems, and concludes that "there are only two solutions available." It is worth noting that the Executive Director in the 1960's acted as just such an outside appeal authority and decided on solutions to any problems with great success. In any case, the Office of Personnel believes a "third" alternative must be established that will assure maximum objectivity for the Agency's position management and classification function; provide for more extensive substantive office participation in arriving at judgments, and finally, provide a formal and impartial appeal mechanism to resolve differences.

Organizations that have experimented with decentralization of the position classification function have experienced serious problems as regards deteriorating job/pay equity and grade escalation. A return to the present system does not easily or quickly correct the damage done.

m. Pages G-21 and G-22, paras 32, 34, and 35.

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[REDACTED] 7 January 1972, established the Position Survey Program with the aim of scheduling and conducting position and manpower utilization surveys in all components with the objective of achieving complete coverage of the Agency each three years. PMCD is charged with conducting the Position Survey Program."

"Most component managers are extremely critical of the PMCD periodic survey program, however."

"One often-mentioned problem is that PMCD's manning and priority system does not permit an early response to a request for a reorganization-generated survey, or rapid accomplishment of the survey after it starts."

Comment:

The criticism cited by the IG are valid in terms of early response or rapid accomplishment of the surveys after they have been started. PMCD staffing authorization simply has been inadequate in terms of the scope of requirements imposed. Additional allowances have been reallocated within the Office of Personnel's limited ceiling to permit additional staffing in PMCD. Augmentation from the Directorate would further assist to remedy this and other concerns.

n. Pages G-24 and G-25, para 38a.

"Unresolved differences with PMCD periodic survey findings are sometimes never formally settled . . .

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Therefore, we believe the expenditure of three-six months of component and PMCD efforts at three year intervals for periodic position surveys to be excessive when compared with the specific end results achieved."

"We believe that static organizations should be subject to . . . reviews . . . but at intervals considerably longer than three years."

Comment:

It is true that unresolved differences are sometimes never settled. Here again, a formal appeals mechanism would eliminate unresolved differences. Nevertheless, in almost every survey the large majority of existing grade allocations are reaffirmed by PMCD. This, to a considerable degree, insures that position grade equity is being maintained throughout the Agency. We agree, however, that certain organizations need not be surveyed as frequently as others.

5. Specific Response to IG Conclusions (Tab G, Pages G-26 through G-30)

The conclusions (Conclusions G-1 through G-7) are incorporated in the IG's Recommendations Nos. 7, 8 and 9. Our comments will be addressed to the recommendations.

6. Recommendation No. 7 (Tab G - Page G-30)

"That the DCI delegate to the Deputy Directors authority to authenticate staffing complements, requiring them to consider PMCD recommendations on position grades before effecting changes and to exercise this authority within their allocations of staff manpower ceilings, senior slots and average grade."

Comment:

In their survey of the PMCD function, the Inspection Team reached a conclusion that only two viable solutions are available - reaffirmation of the current system (with continued effort to improve effectiveness) - an option which they reject as lacking real enforcement authority, and the option contained in this specific recommendation that the authority to approve position structures and grade levels be delegated to the Deputy Directors within only the constraints of their manpower ceilings, senior slots and average grade. It is worth noting that Mr. [REDACTED], after an extensive and in-depth study of

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the PMCD role and function, arrived at quite different conclusions and recommendations. (See attached copy of the summary of this report submitted by [] in September 1975. - Attachment #1)

We believe that reaffirmation of the present system, as currently constituted - even with some improvement - is not the solution in meeting the needs of the Agency in today's environment but we also foresee different but comparable problems were the Agency to adopt the IG's preferred option cited in their Recommendation No. 7. We have strong convictions that the needs and best interests of the Agency at large would be best served in a third alternative approach and propose the following recommendations:

- a. That the Director of Personnel continue to retain responsibility for conducting the position management and classification function and basic authentication authority for staffing complements.
- b. That the Deputy Directors and Heads of Independent Offices, or a designated senior officer within their components, meet with and jointly review and discuss with the Director of Personnel any unresolved differences pertinent to PMCD findings and/or recommendations prior to final authentication of those portions of the staffing complements involved.
- c. That any unresolved differences between a Deputy Director or Head of Independent Office and the Director of Personnel be fully documented and referred by the Director of Personnel, together with all pertinent documents, to the Deputy Director of Central Intelligence for final decision.
- d. That the regular staff of PMCD be augmented with the rotation of an officer, grade GS-13/14 level, selected by each of the four Deputy Directors and a representative from the DCI Group, for a two-year tour with PMCD to participate in position management and classification surveys of components within his parent Directorate.
- e. That the Director of Personnel establish an Agency position management and classification orientation program to educate management at all levels as to the objectives and responsibilities of this essential element of personnel management. (NOTE: This is in addition to our concurrence relative to the IG's Recommendation No. 10.)

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7. Recommendation No. 8 (Tab G - Page G-31)

"That the Director of Personnel monitor Directorate and DCI Area adherence to their allocations and to job/pay equity and recommend appropriate DCI action in cases where he cannot resolve differences with the Deputy Director concerned."

Comment:

We agree that the Director of Personnel retain monitoring responsibility but in the context of the alternative recommendations we have made in our response to Recommendation No. 7.

8. Recommendation No. 9 (Tab G - Page G-31)

"That the Director of Personnel revise PMCD procedures, position surveys, scheduling, and manpower as indicated in Conclusions G-3 through G-7 above."

a. Conclusion G-3:

In the area of position grade evaluations, PMCD should:

- (a) Develop and maintain standards for position evaluation use.
- (b) Participate in and advise on all position evaluation use.
- (c) Insure that unresolved differences with component managers over position evaluations are brought to the responsible Deputy Directors for decision.
- (d) Inform the Director of Personnel in cases when, in the opinion of PMCD, decisions made by Deputy Directors conflict significantly with equal pay for equal work principles or established pay policies, e.g., pay scales for senior secretaries.

Comment:

Conclusions (a), (b) and (d) are consistent with current responsibilities of PMCD. As regards G-3(c), the recommendations proposed by the Director of Personnel in response to the IG's Recommendation No. 7 would insure that the Deputy Directors had the opportunity to discuss unresolved differences directly with the Director of Personnel and the institution of formal appeal to the DDCI for final decisions if necessary.

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b. Conclusion G-4:

With regard to staffing complements, PMCD, in collaboration with other Office of Personnel components, should:

- (a) Establish staffing complement formats.
- (b) Compile, produce and disseminate staffing complements authenticated by the Deputy Directors and produce and disseminate related management information reports.
- (c) Report to the Deputy Director concerned and to the Director of Personnel any non-trivial continuing instances when the totals of a Directorate's staffing complements exceed that Directorate's allocations of manning, senior slots or average grade.

Comment:

These conclusions essentially reflect current responsibility and procedures with the exception that staffing complements are not authenticated nor implemented without the prior approval of the component concerned.

c. Conclusion G-5:

PMCD's responsibility for conducting periodic position surveys should be modified. In this area:

- (a) PMCD should conduct periodic position surveys in components that have received little attention in conjunction with reorganizations for a period of about five years.
- (b) The Director of Personnel should initiate special PMCD position surveys in other cases where he has reason to believe that position classifications need revision.
- (c) Neither periodic nor special position surveys should be allowed to interfere with prompt and rapid service or reorganization or other more immediate needs for PMCD assistance.
- (d) During all surveys, PMCD should restrict its recommendations regarding the organization and management

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of component personnel to cases where organization or management is the dominant consideration in evaluating position grades.

- (e) PMCD should be permitted on its own initiative to audit positions in any component in order to obtain data needed to establish, maintain or improve position evaluation standards.

Comment:

We agree with conclusions (b), (c) and (e). As regards conclusion (a), retention of the current three year survey cycle is preferred over a five year cycle in terms of more timely recognition of the need for adjustments to the position structures, etc. The continuing press of ad hoc and priority special surveys and the need to address other priorities with a limited number of staffers in PMCD may temporarily require adaptation of the five year cycle as proposed by the IG. We are not in agreement with conclusion (d). In their surveys, PMCD's observations and recommendations relative to the organization and management within a component are directed at manpower resource considerations such as effective utilization of personnel, skill mix, duplication of work effort, clarification of supervisory channels, internal communications, and the like. This information is provided to component managers as "feedback" for his consideration in carrying out his managerial responsibilities. Feedback from the majority of managers of surveyed components last year indicated affirmative attitudes toward the usefulness of this type of information.

d. Conclusion G-6:

PMCD should accelerate the development and trial implementation of improved position evaluation standards and methods similar to the Factor/Benchmark system now being developed by CSC for Government-wide implementation by 1980. Full CSC development of its system should not be a prerequisite to development and trial implementation of an Agency version.

Comment:

We are in full agreement with this conclusion.

e. Conclusion G-7:

The Director of Personnel should review and alter the organization of and manpower authorized for PMCD as necessary to meet its revised mission.

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- (a) It is important to note that PMCD manning must permit prompt and rapid service of component needs.
- (b) A program of rotating Office of Personnel people with experience as component support officers through 3-5 year PMCD tours, and of rotating PMCD professionals through component support officer tours, would provide a valuable experience base.
- (c) Rotating personnel from other Agency components through PMCD tours would contribute more specific component knowledge and would be useful if the tours can be long enough for the rotating personnel to develop and use job classification expertise.

Comment:

We agree that PMCD manning must permit prompt and rapid service. With respect to the rotation of Office of Personnel people in and out of PMCD, this practice is already being followed to some extent. The rotation of officers from other Agency components is strongly supported by the Office of Personnel.

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24 September 1975

MEMORANDUM FOR: Director of Personnel

SUBJECT : Survey of Position Management and Compensation
Division, OP

In keeping with our understanding, submitted under separate cover is my report of survey of PMCD. As discussed with you and your Deputy, and as noted briefly to the DD/A, the study outline initially provided was used as a guide in the survey. Certain suggested areas of "exploration" in that outline were not pursued because in light of the currency of documentation in PMCD, including studies of the Civil Service Commission in some of which PMCD participated quite actively, such "exploration" would have been, in my opinion, nonproductive or duplicative.

The report will have to speak for itself, but there are one or two general points I would like to make here. First, in PMCD I believe you have a dedicated, experienced and competent staff, well equipped to discharge its mission. This is not to say that PMCD is without fault or problems, but the base is good and faults can be corrected and problems solved. Second, while this survey will not, in all probability, contain any "new and startling" insights, it may reinforce some management concerns and the need for early and decisive corrective action, it may bring to mind some forgotten, or ignored, principles of position management and classification, and it will provide some concrete, practical recommendations which, if implemented and supported by all concerned, will, hopefully, lead to significant improvement in the Agency's management of manpower resources. These recommendations are set forth at appropriate points throughout the report. However, it might be helpful if I were to summarize here the most significant ones together with a brief note on the deficiencies they are designed to correct or the problems which they might be helpful in solving. I would also add that where recommendations call for regulatory amendments, or the promulgation of policy statements or other documentation, suggested drafts of such material are included in the body of the report.

A. Mission:

In order to ensure that all concerned are fully aware of the importance of, and need for, position management and grade control in the management of manpower resources and that the role of

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the Director of Personnel exercised through PMCD in these areas is understood, accepted and supported, it is recommended that:

STATINTL 1. That the DCI issue as an Employee Bulletin or a Headquarters Notice, or both, a policy statement outlining his manpower resource management concerns and proposed actions to ensure better management in this area.

STATINTL 2. [] be amended to establish, by regulation, the responsibility of the Director of Personnel to administer position management and grade controls and related areas of manpower resource management.

3. [] be amended to define, with some degree of precision, the totality of the Director of Personnel's/PMCD's mission for position management, classification and compensation and the nature of surveys which must be conducted to "audit" the continuing validity of organizational structures and position classifications.

B. Responsibility and Authority:

STATINTL In order to clarify manpower resource management responsibilities and authorities, to avoid duplication of effort and to focus on the need for the coordination or collaboration of diverse elements in the Agency in certain areas of manpower resource management, it is recommended that:

STATINTL 1. [] be amended to include the Director of Personnel as a channel through which proposed organizational changes must flow to the DCI.

STATINTL 2. Add to [] a new subparagraph, (j), which would give to the Director of Personnel, by regulation, the authority he already has by memorandum from the DCI to approve, subject to the Comptroller's concurrence, requests for increases in average grade and upper level ceiling.

STATINTL 3. Delete from [] subparagraph (b), which would no longer be necessary in light of the above noted addition of subparagraph (j) [] (This deletion would require the renumbering of [] and e) to (b, c and d).

4. Amend [] (a and c) to provide for Comptroller and Director of Personnel collaboration in reviewing proposals: for significant manpower allocation or structure changes, for recommendations to the Director in these and related areas and for ensuring continuing review of manpower levels and allocations.

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a new subparagraph (d), (this will require renumbering the existing (d, e, f and g) to e, f, g and h), to require the Audit Staff to coordinate with the Director of Personnel on all audit findings and recommendations relating to position management and manpower utilization.

C. PMCD - Organization and Staffing:

In order that PMCD may discharge the totality of its responsibilities, provide necessary position documentation, as well as the establishment, maintenance, and continuing update of standards, and develop and exercise the creativity essential to both the viability and currency of any position management and classification activities, it is recommended that:

1. The staff of PMCD be increased; the number (which to some degree be influenced by the degree to which recommendations in this report are approved and implemented) to be determined by the Director of Personnel.
2. A definitive plan for PMCD staffing be devised to ensure: (a) the continued existence of a core of "professional" classifiers or PMCD "careerists" and (b) a regular rotation of "other" careerists through PMCD (a tour of four years is recommended), a greater emphasis on "management" or "system analysis" orientation and/or such training for personnel assigned to PMCD.
3. The initiation on an immediate and urgent basis - even at the expense of a diminution or temporary cessation of cyclic surveys - of a program designed to provide "meaningful standards" for

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as many positions as possible. It is also suggested that this program utilize not only the work currently being done by PMCD on the new factor-ranking/benchmark system of the Civil Service Commission, but also the modular evaluation system used so successfully by PMCD with respect to certain positions in the Office of Communications. This suggestion is offered for several reasons including the fact that the modular system requires input from the operators and does away with the need for a multiplicity of job descriptions. One further thought - initial application to show what the system can do might be made in Division D, DDO; in the Information Services Group, CRS, DDI; with respect to scientific positions in DDS&T, and the Office of Joint Computer Support in DDA.

4. The recreation of a Standards Branch.

D. PMCD - Its Modus Operandi and Relationships with the Operators:

Even the critics admit the need for PMCD, its objectivity in discharging its responsibilities and the validity of surveys - though not necessarily on the current cyclic basis - which PMCD must conduct. Those same critics - with agreement from PMCD in many cases and disagreement in as many more - point up what, to them, are significant problems they encounter in dealing with PMCD. Rather than attempt any general recommendations in this area, it is suggested that you and your staff review the PMCD "poll" included in this report to determine those areas in which you think corrective internal action might be desirable and those in which the need for "operator education and support" are the primary requisite.

E. PMCD - Its Place in the Agency Hierarchy:

A question sometime discussed is whether or not PMCD can really do an effective job given its "remoteness" from top management and the multiplicity of channels through which its findings and recommendations must flow before, in many cases, decisions for actions can be made. Though a case could be made to move PMCD to a higher, more independent level of Agency management, in order to give it a more positive "say" in the management of manpower resources, it is recommended that so such relocation be effected. First, PMCD related activities are for the most part elements under the Director of Personnel or his counterpart [i.e., the Deputy Director General of the Foreign Service who is also the Director of Personnel in State, the Director of Civilian Manpower Management (DCM) in Navy] throughout Government and industry. Second, in the Agency the interrelationship of PMCD's functions with other policy and control responsibilities of the Office of Personnel dictate the need for the Director of Personnel to have these related activities under his direct control. However, it must

be recognized that these policy and control responsibilities might more properly be described as "staff" functions and different from what might be termed the "line" functions of personnel services or personnel administration activities such as recruitment, placement, etc. Further, that these "staff" responsibilities require, as was true under the Executive Director-Comptroller modus operandi, a different access to, direction from, and support of the highest level of Agency management. Thus, while it is recommended that PMCD remain where it is, that is, in the Office of Personnel, it is also suggested that consideration be given to clarifying the distinction - if there is indeed one to be made - between the staff and line responsibilities of the Director of Personnel and defining the mechanisms or channels by or through which these differing responsibilities can best be discharged.

F. Centralization vs Decentralization:

It is my opinion, shared by almost all interviewed in the course of the PMCD "poll", as well as many others with whom the point was discussed in the course of this survey, that decentralization of PMCD's functions - except to the degree used in the application of the modular evaluation system in the Office of Communications, is neither necessary nor desirable. However, if for any reason management would still wish to consider decentralization, it is recommended that no action to decentralize any of PMCD's functions be undertaken at this time. There are at least two reasons for this recommendation. First of all, the totality of PMCD's mission and responsibilities is neither understood nor accepted by the line managers to whom such decentralization would have to be effected and hence the need to get the basis for a centralized system clearly established before any thought can be given to any delegation of classification or other PMCD function or authority. Second, the position documentation and mutually understood job standards essential to any management system, especially one that is decentralized, simply do not exist to the degree necessary and must be developed to put the current centralized program on the desired firm footing. Only after these deficiencies are corrected could or should any consideration be given to decentralization because only then could a valid determination be made as to what function or functions of PMCD might be decentralized and to what level and with what constraints.

G. Administration of Supergrade and SPS Positions:

To meet the need for better administration of supergrade and SPS positions, it is recommended that:

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1. A joint, concerted effort be made by the Office of Personnel and the "operators" to develop more realistic job descriptions for supergrade and SPS positions.
2. PMCD using a combination of both the upcoming factor-ranking/benchmark system and factor analysis criteria of the Executive Evaluation System developed earlier (by a management consultant firm under contract to the Civil Service Commission) as part of the Federal Executive Program, undertake to construct a more objective method for the creation of standards for the evaluation of supergrade and SPS positions.
3. To help ensure a greater uniformity in the development and application of these processes, the Director of Personnel consider making one classifier in PMCD responsible for these and related phases of the administration of supergrade and SPS positions. This officer would, in effect, become the Office of Personnel specialist on supergrade/SPS problems, whether they be problems of promotion, ceiling, standards, position evaluation, the utilization of positions or personnel, or any regular, annual or other reviews of manpower resource management as they impacted on these executive levels.
4. In recognizing the requirement for involvement of the Director in matters of supergrade and SPS personnel, and in the absence of the Executive Director-Comptroller, the Director delegate to the DDCI, or such other senior officer he might choose, responsibility for final decision making authority on actions relating to such supergrade/SPS personnel and/or positions. It might also be noted that such a delegation might properly go to the Director for Management if the Rockefeller Commission's proposal for the establishment of that position is approved and implemented.
5. Looking to the future when hopefully the current salary "freeze" will be lifted, and recognizing the significant salary levels which would then be applied to supergrade and SPS positions, consideration be given to the establishment of upper/lower "salary limits" as opposed to "GS grades" for executive level positions. (A not entirely new idea.) Such a system, which might put a more realistic "value" on positions and provide a greater flexibility in "executive" level assignments is described in more detail in the body of this report. If found feasible "in principle," it might be initiated on a trial basis with respect to overseas stations.

Obviously these recommendations, if approved, will require the effort and cooperation of a host of individuals and components throughout the Agency; but whether or not they are approved or others and better ones substituted for them, it must be made absolutely clear to

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all that the requirement to manage manpower resources is a real fact of life in Government today - more real than even before - and all must do their part to see that Agency management is as good as, or better than, the rest of Government.

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One last note - but a most important one. Let me acknowledge, with thanks to you for their detail, the able and unstinting efforts of [redacted] in this study. I'll take the blame for any shortfalls - but credit for any contribution this study makes to better management of manpower resources is due in no small part to the hard work and professionalism of these fine officers.

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Atts.
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Office of Personnel Comments on
[] Report of Survey of PMCD
(September 1975)

1. General Comment

[] has developed a professional and thorough report of survey of PMCD. He has focused on the primary aspects and issues of this function. We consider his findings to be objective and logical. Our comments, therefore, are directed at the recommendations contained in Tab F "Specific Findings - Conclusions - Recommendations."

2. Specific CommentsRecommendation #1

That the cyclic survey program, which is a main contributor to PMCD's heavy workload and of questionable value in the minds of many, be reexamined with a view toward its elimination in favor of a "maintenance" program, or its reduction in frequency and scope.

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Recommend that any "personnel savings" resulting be channeled into standards program activities.

Comment: As noted by [] in his "findings," PMCD is faced with a continuously heavy workload which requires continuous adjustments in priorities to meet requirements. "Less effective" activities are difficult to identify in that the array of requirements handled by PMCD are of almost equal importance. The cyclical survey program, ad hoc special surveys and position classification requests, reviews of appeals to classification judgments, statutory compensation changes, requests for non-standard work schedules and FLSA implementation impose an extremely heavy load on a limited working staff. The cyclical survey program imposes the heaviest load on PMCD but is the essential core program for the fulfillment of the Director of Personnel's Agency position management, effective manpower utilization, position classification and component personnel management evaluation responsibility. The cyclical survey program assures regular scheduled audit of the validity and appropriateness of component organizational structures and functions vis-a-vis their missions and functions, the command structure and authorities, manpower utilization and validation of position distribution and their grades. A "maintenance" program is also necessary (i.e., between scheduled surveys) in order to effect changes that require current attention. Prior to adoption of the cyclical program it was not unusual for some components to go for 5-8 years without a complete overview survey. Position management classification and manpower utilization problems can grow to serious proportions in such situations and are extremely difficult to correct. While it is true that some past surveys have been of marginal value from a "results" standpoint, the increasing number of requests for surveys from various components as well as the tone of feedback regarding our efforts suggests that the

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PMCD survey is becoming one of the Agency's best management tools. Moreover, current survey inputs will be absolutely essential for standards and benchmark development, monitoring compliance with FLSA, and other position management activity.

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The answer, of course, is to maintain both a quality standards program and a survey program without sacrificing one for the other. To do this would probably require an increase in PMCD's staff to . If an increase in staff is not possible, then the number of surveys must be reduced (without eliminating the cyclic program) in favor of greater effort on standards and benchmark development.

Recommendation #2

That as many as possible of PMCD's current staff be assigned to a "crash" standards development program.

Recommend that coincidental with, or at the conclusion of, this program the standards branch be reestablished.

Comment: We agree that a carefully planned standards effort is necessary to clearly define evaluation criteria which is understandable to, and accepted by, management. In fact, PMCD had already begun this effort prior to the survey of PMCD. However, a quality product will require a substantial manpower commitment over a long period of time, and several internal assignments within PMCD have already been made for this purpose.

Recommendation #3

That PMCD continue its work leading to the adoption of the principles of the new Civil Service Commission's Factor-Ranking/Benchmark System which will provide a desired "uniform" base that can be readily understood by operator and classifier alike. Further recommend in the interest of ensuring greater operator participation that the modular evaluation technique used so successfully by PMCD in certain Office of Communications positions (and which would seem to have similar application in places such as Div D, DDO, ISS in CRS/DDI, scientific positions in DDS&T and finance positions in DDA) be used as extensively as possible.

Comment: We agree that PMCD should continue its work leading to the installation of the "Factor-Ranking/Benchmark" methodology. The modular system (which uses work examples rather than basic job factors that are the real basis for position evaluation) can be used in certain activities such as OC but would not be pertinent in most situations. We believe, therefore, that our objective, insofar as possible, should be the development of only one system for application on an Agency-wide basis.

Recommendation #4

Recommend (in addition to DCI Policy Statement on subject of Position Management) that (1) a position classification training program be developed for the purpose of "educating" component personnel officers

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and operating officials involved in classification activities. (Such a program isn't incorporated in existing supervisory/management training courses.) (2) Publish a position management "flyer" for line managers.

Comment: Agree with conclusion. PMCD presently offers two sessions per year of their training program for OP careerists. This is about all PMCD can handle with present staff and workload. One hour presentations should be incorporated in OTR courses such as the Mid-Career, Basic Supervision and the Management Seminar. The present briefing paper provided component heads prior to scheduled surveys should be reviewed for possible improvement.

Recommendation #5

In the absence of an Executive Director-Comptroller or the delegation of final classification authority to a senior officer of the Director's choice, a formal appeal policy and procedural mechanism be established. This mechanism should provide for appeal by the operator, position incumbent, and - when such is necessary to maintain equity - by PMCD.

Comment: A clear delegation of position classification authority (all grade levels) should be made by the DCI to the Director of Personnel.

Recommendation #6

That general controls be adopted to stop grade creep and the increase in supergrade positions and people.

Comment: An increase in average position grade is not unusual in any organization that has experienced sizeable reductions in overall ceiling over a period of a relatively few years. Nonetheless, grade creep is costly and usually requires strict control measures if it is to be halted. The Agency's supergrade allowances are allocated by OMB and must be justified for retention and/or increase to OMB. We can expect close scrutiny by OMB of our supergrade ceiling in the near future.

Recommendation #7

That control of average grade and of position management be monitored by DCI review in a manner similar to the APP on the people management side.

Comment: We agree that more emphasis should be placed on operating component managerial responsibilities as regards their role in more effective position management and position grade control. However, from a practical standpoint, any specific proposals regarding a monitoring function must necessarily relate to the extent of changes in authorities, policies, and procedures which result from the total recommendations in this report. Initially, at least, we believe that the recommendations regarding D/Pers responsibilities as given elsewhere in the report will provide for any monitoring necessary.

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Recommendation #8

Amend the Regulations to include position structure in the gross personnel ceilings at the time of allocations. Presently a Comptroller function (from a staff standpoint) the combination would be a joint Director of Personnel (PMCD) and Comptroller responsibility to the DCI with D/Pers responsible for review and monitoring.

Comment: We disagree. By including position and grade structure in the gross personnel ceilings at the time of allocations unnecessary delays would be created. In "allotting" the numbers of positions at each grade level (GS-15, 14, 13, etc.) a ceiling at each level would thereby be established which components could cite as a basis for maintaining the number of positions "authorized" at each level. New ceiling allocations (including supergrade allowances) should flow from a review and justification of the activity and the development of a basic organization and position structure.

Recommendation #9

Define the position management function at the Agency level and place it upon the Director of Personnel as the other part of the position evaluation function. The objective would be to assure that the entire Agency understood that position management and classification are staff and coordinating functions of the Director of Personnel.

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Comment: We agree that the delegations of authority to the Director of Personnel and PMCD's charter as regards position management and position evaluation and classification should be more succinctly spelled out in the regulations. At the present time these responsibilities are expressed in [redacted] and a Headquarters Notice.

Recommendation #10

Examine the competitive promotion policy and the CSGA. Perhaps with the reduced complement and the average grade of incumbent approaching the position average grade, the CSGA should be based on position requirements not on established positions and the actual advancement of an approved candidate for promotion, particularly at upper and supergrade levels should await the opening up of a position at the appropriate grade.

Comment: The Career Service competitive evaluation, ranking and promotion system is based on the "rank-in-the-man" principle of evaluation and promotability of individuals in competition with other individuals in the competitive "group." The CSGA is an integral element of this competitive system and must be based on the actual graded position structure (i.e., not on position requirements). However, the question as to whether this approach is valid today should perhaps be studied.

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Recommendation #11

Develop a more sophisticated basis to evaluate supergrade positions. The format and fact or analysis developed by the Civil Service Commission under that portion of the Coordinated Job Evaluation Plan applicable to the Executive Evaluation System (EES) would appear to provide an excellent base under which PMCD and "Agency executives" could build the necessary documentation for better supergrade position evaluation. A copy of the EES "factors" is attached.

Comment: We agree, although the Executive Evaluation System (EES) is not necessarily the answer. It is possible that an extension of the basic Factor-Ranking/Benchmark System currently under review for evaluating GS-1 through GS-15 positions might then be the most appropriate basis for evaluating supergrade positions.

Recommendation #12

Establish a periodic review and report by the Director of Personnel to the DCI on the management and utilization of supergrade positions as they become vacant.

Comment: See comments to Recommendation #16.

Recommendation #13

In the case of impasse between the Director of Personnel and the Directorates on the classification of supergrade positions - impasse formerly resolved by the Ex Dir-Compt, the DDCI, or other designee of the DCI, would make the decision. This appeal channel is suggested not only to remove the Deputies and/or their Associate Deputies from the awkward position of ruling on their own supergrade structure, but also to reinforce the Director's immediate responsibility for decisions relative to supergrade positions and personnel.

Comment: See comments to Recommendation #16

Recommendation #14

The Director of Personnel should report to the Deputy Director concerned at the completion of two years of a SG PRA assignment and seek instructions on ending the PRA. The same procedure should be followed with respect to the reverse situation, namely the non-supergrade individual blocking a supergrade slot.

Comment: See comments to Recommendation #16.

Recommendation #15

Quite apart from other reporting, the Director of Personnel should report once a year to the DCI on the number of supergrade personnel PRA'd, and the number of non-SG personnel occupying SG positions. Report

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to be by major directorate, to show length of time of assignment and the Director of Personnel's recommendation for resolving "problem assignments" which have extended beyond a reasonable period.

Comment: See comments to Recommendation #16.

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Recommendation #16

The new responsibilities of the D/Pers should be reflected in Management of SG Personnel as cross referenced in Suggested revisions are attached.

Comment: The Office of Personnel with the collaboration of the Office of the Comptroller is preparing a paper on the management of supergrade positions and allowances which addresses these points.

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Recommendation #17

Rework [] Personnel Administration to reflect the change of focus from service to control on personnel planning and control. Include the Director of Personnel responsibilities for position management, average grade control in this general statement of policies. The policy followed should be one of centralized planning and control of positions, but with people management, including assignment, promotion, utilization decentralized as at present subject to D/Pers review.

Comment: We agree that [] as well as other related regulations should be thoroughly reviewed and reworked, in relation to such changes in authorities and responsibilities as result from the recommendations contained in this report.

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Recommendation #18

Approval and review, including periodic surveys as provided for in [] of position structure and the classification of positions should remain a responsibility of the Director of Personnel through PMCD/OP.

Comment: We agree.

Recommendation #19

Good organization communication is based on confidence and is largely an aspect of leadership, to be achieved in part in the case of position management by the formal steps, announcement of intention, and regulatory and other policy/procedural amendments as discussed elsewhere in this report.

Technical aids to good communication would include the development, with operator participation, the promulgation of position standards, the inclusion of position management and classification in the training curriculum for supervisory and management training, the publication of a flyer, such as the Navy Dept's, on position management. [A "first-cut" draft of such a pamphlet based on the Navy "flyer" is included in this report.]

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Make grade and position management an evaluation factor in the performance evaluation of every line supervisor, branch chief, division chief, Office Head, Career Service Head. Make all levels of supervisors which originate or propose official statements of duties and responsibilities understand that they are certifying what is in effect a pay-roll document; and that while the Director of Personnel through PMCD, OP has the staff and coordinating responsibility, final responsibility rests with line management.

Comment: No disagreement.

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Review and Comments of the Narrative
Conclusions Contained in the IG Survey
of the Office of Personnel

1. Reference: Office of Personnel
(IG Report Summary - Page 1, para 1)

"The Office of Personnel is one of the Agency's largest organizations though only about two-thirds of its careerists work in the central office itself."

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Comment:

2. Reference: Outplacement
(IG Report Summary - Page 15, para 27)

"Outplacement is a key element among those services designed to reduce the uncertainties, income interruptions, and other financial and emotional disturbances associated with leaving Agency employment. It is useful as a service for retirees, but could have greater value as a means of encouraging and expediting the departure of those employees who are no longer needed by the Agency because of manning reductions, less than complete suitability for available positions, irreparable stagnation in place, or combinations of these factors."

Comment:

We cannot agree that outplacement as such would or could serve much of a role in encouraging and expediting the departure of employees no longer needed by the Agency. We suspect there is little in the way of a substitute for management making strong decisive decisions and telling surplus or unneeded personnel that they are not carrying their share or that their particular skills are no longer

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required. Persons so alerted will then get busy on what outplacement has to offer. It must be remembered that outplacement's success depends, to a great degree, on the economy and the external job market. There is certainly no assurance that a healthful climate in this area would always coincide with planned reductions.

3. Reference: Outplacement
(IG Report Summary - Page 16, para. 29)

"We found disturbing remarks by Office of Personnel officials suggesting that the function of outplacement might be the first effort cut if Office resources are curtailed further."

Comment:

The remarks of the Office of Personnel officials were not intended to reflect a lack of support or interest in the outplacement activity but rather an acceptance of the facts of life. The Office of Personnel has a number of statutory functions it must provide, and if further reductions in resources are required, would have to consider for elimination those that are nice to have but are not mandatory. The IG and the Agency can be assured that as long as we can continue this function, we will do so in a manner that will insure its meaningful use.

4. Reference: Recruitment and Applicant Processing
(IG Report Summary - Page 17, para. 33)

"All personnel, both in the field and at Headquarters, who are involved in recruitment and applicant processing, were keenly aware of the inordinate amount of time that it takes for an applicant to enter on duty. Some of this time is irreducible; some, however, is of questionable necessity. We believe that requirements for field administration of the Professional Aptitude Test Battery (PATB) is a principal cause of processing delays."

Comment:

We believe that the requirement for field administration of the Professional Aptitude Test Battery (PATB) is only a contributing cause to processing delays.

5. Reference: Applicant Files
(Tab A - Page A-4, para. 7)

"The permanent retention of a very large number of applicant files is within the letter but not the implications of CIA's stated file retention practice."

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. . . The Inspector General will bring the risks of adverse publicity inherent in the ISG/DDO retention of applicant files to the attention of the DDO and request a more specific examination of the current usefulness of the practice. The Inspector General's recommendation concerning continuation or termination of the practice will be made after consideration of the DDO response."

Comment:

Based on the review by the IG, the DDO has agreed that applicant files need no longer be sent to ISG. SPD is working with ISG to purge records not conforming with the two-year retention schedule under System 30. (Files and records over two years old will be destroyed as soon as the moratorium is lifted.) As of now, applicant files on candidates not accepted for employment are being retained in CARB for two months and sent directly to the Records Center for two years. At the end of two years, the files and all records pertaining to them will be destroyed.

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7. Reference: Agency Personnel Actions
(Tab B - Page B-5, para. 9)

"However, Chief, TRB faces a rather continual problem of monitoring errors."

Comment:

Chief, TRB was referring to a recent pattern of inaccuracies in researching data required in the preparation of transcripts within her Branch and a relatively high pattern of errors in the Personnel

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Actions prepared and submitted by Agency components to TRB for inputting to the computer. Actions to remedy these problem areas cited by the Inspectors had been initiated prior to the IG interview. Specifically, a reassignment of an employee was effected with the replacement officer correcting the "transcript" problem. A reduction in errors in component-initiated personnel actions is being realized by conducting retraining sessions for the responsible individuals.

8. Reference: Agency Personnel Actions
(Tab B - Page G-6, para 10)

"The TRB Staff consists almost entirely of low-graded clerks, some of whom are cast-offs from other offices."

Comment:

We consider this observation by the IG to be inappropriate and inaccurate in the use of the term "cast-offs from other offices." TRB augments its limited permanent personnel staff by utilizing personnel from other components of the Agency who are temporarily detailed to the Office of Personnel while awaiting further assignment or other action.

9. Reference: Qualification Files
(Tab B - Pages B-8 and B-9, para 16)

"The (Qualifications) file is maintained in accordance with criteria established by the Civil Service Commission."

Comment:

We wish to correct a minor misconception that the Agency's Qualification File system is maintained in accordance with the criteria established by the Civil Service Commission. The CSC guidelines pertain to a system not applicable to our Agency. The Agency's Qualification File system was developed to meet internal Agency needs and requirements.

10. Reference: Computer Program Development
(Tab B - Page B-21, para 37)

"Nevertheless, there is still much misunderstanding of what APP is all about and the publicity given it has been inadequate to the need. Moreover, the Office of Personnel has contributed to poor acceptance of the report through inadequacies in its early presentations of the plan to senior management, with excessively complicated preparation

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guidelines, belated modifications of instructions and failures to provide adequate briefing to the middle and lower-level line managers who must fill in the forms."

Comment:

We agree that there is a need for a broader and deeper understanding of the APP and its place in the "new approaches" to Agency personnel management as instituted by Mr. Colby in FY 1973. Mr. Colby launched the APP at the Management Committee level and clearly hoped for active support and utilization of the APP as a meaningful personnel management mechanism. Not all senior managers have shared Mr. Colby's enthusiasm for the APP but nonetheless complied with the reporting requirements. By and large, the Directorate APP's have been prepared by Administrative and Personnel Officers assigned to the operating components and not the middle and lower-level line managers. In advance of sending out the final FY 1976 APP formats, however, all Administrative and Personnel Officers who actually fill out the report were invited to a briefing at the Headquarters Building, three hours of the meeting being allotted for a discussion and review of the entire format and for instruction on completion of the report. At that meeting all attendees were advised that members of the OP Review Staff would be available to meet with Career Service or Subgroup personnel separately to further explain the philosophy and techniques of the APP. In light of some complaints of directions being insufficient in FY 1975, the instructions for the FY 1976 APP were spelled out in greater detail than in prior years. Subsequently only the DDI and DDA Career Services requested meetings of their representatives with the OP Review Staff for further discussion and guidance.

The Review Staff is presently working with representatives at the Directorate level in an effort to modify the substantive content, simplify the format of the APP for the coming Fiscal Year, and improve the instructions on the use and preparation of the reports.

11. Reference: Computer Program Development
(Tab B - Page B-22, para 39)

"We found the detailed analysis done on the current APP for the Director unnecessarily prolix and complicated."

Comment:

At no time did Director Colby, who had requested the detailed analysis, comment nor indicate that he thought it was "unnecessarily prolix and complicated." Indeed, the analysis followed the instructions and wishes he personally communicated to the Director of Personnel.

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12. Reference: Computer Program Development
(Tab B - Page B-22, para. 39)

"Moreover, we perceive a view of line management, in our discussions with Chief, Review Staff, that is not conducive to solving the communication problem -- namely, her view that line managers are unnecessarily sloppy, lack logic, and indifference, all of which works against the program's success."

Comment:

Apparently the Investigator misunderstood the Chief, Review Staff's comments. The individuals referred to were not the line managers but the staff personnel (in some cases clerical level) who prepared the data on the APP submissions. A review of the APP's as initially submitted revealed an extensive number of obvious errors and omissions that required research and correction by the Review Staff prior to submission of the reports to the DCI.

13. Reference: Computer Program Development
(Tab B - Page B-22, para. 39)

"We think a more positive approach to the communications problems would come from a recognition that line managers are often overworked and beset with a plethora of current deadlines. They are best prepared for innovation if it is made quite clear how it will help make their activity become more effective (and easier to manage)."

Comment:

The Report expressed concern for the line manager being unduly involved in complicated and detailed OP-oriented projects that he or she could not identify as being relevant to their situation. This would indeed be a concern if that were intended to be a part of APP. The APP, however, is not designed to function that way. At best the line manager will have physical input to only one-third of the report, granted that the input should be based on analysis of the other two-thirds. The statistical work for that analysis, if not the analysis itself, should have been done by the personnel or administrative staff before reaching the line manager. It is even probable that "line managers" below the Office and Division Head level would not have input to the APP at all. In many instances the new goal input can be made by senior Personnel or Administrative Officers under the close direction and review of their respective Office or Division Head or Deputy Director.

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The goals and trends set forth in the APP are Office and Division goals and trends, and should be approved or amended as they support or conflict with Career Service goals and directions. The APP is not intended to be a working document that would help the line manager solve his daily working problems. It is not designed to solve day by day problems except as they relate to the broad picture of personnel management. The APP is a yearly planning paper which, if followed, assures adequate and properly distributed headroom for promotion; a well-planned mix of clerical, technical and professional employees; continued and proper use of rotational assignments; a minimum number of PRAs; adequate training, etc. Granted there are communication problems associated with the APP, and we see the primary lines that require strengthening as follows:

- a. Deputy Directors with Sub-Career Service Group and Office Heads.
- b. Deputy Directors with their Directorate-level Chiefs of Personnel and Administrative Officers.
- c. Sub-Career Service Group and Office Heads with their senior Personnel and Administrative Officers.
- d. Sub-Career Service Group and Office Heads with their mid and lower-level managers.

The Office of Personnel also must strive to increase better understanding of the APP through expanding our communications with the Deputy Directors, Sub-Career Service Groups and Office Heads and senior Personnel Officers.

The IG Report is correct in stating that the APP and to a lesser degree the PDP have not been fully accepted in the Agency. In discussing these topics with Agency personnel, members of the Review Staff find three major causes for the complaints:

- a. Misunderstanding the purpose of the report by viewing it as a requirement for data to be used by the Office of Personnel.
- b. Understanding the intent and purposes of the report but failing to get Office and Career Service input or interest in the reports.
- c. Receiving no feedback below the Deputy Director level regarding submissions.

A central theme in many complaints is the complexity of the APP. We note, however, the IG investigators do not find the APP as complicated as many make it out to be. Other complaints or problems have arisen

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from failure to relate data on one chart to the substance of another, failure to copy numbers correctly, and failure in simple arithmetic. We believe a better comprehension of the intent and purpose of the report, i.e., advance personnel planning and evaluation of goals, would relieve some of the tension created by the resistance to the reporting requirement. To help build acceptance of the system, we continually review the format and content of the APP with a view to restructuring for simplicity of reporting. For FY 77 the computer reports which provide the past year data have been redesigned to match more closely the chart for formatting in the report.

We fully agree that continued communication on the purposes of the APP and PDP is needed and hope that better understanding and comprehension will stimulate better receptivity and action. While the guidances for the APP each year have stressed the importance of feedback by the Career Services of their analysis of their own APP's to their Sub-groups, there has been little evidence that this has been done.

It is pertinent to note the APP analysis on an Agency-wide basis has lead to a number of personnel management improvements, or attempts to improve, but unfortunately without attribution to APP data base - perhaps another lack of communication in that the action officers don't relate the two activities or sets of facts.

14. Reference: Internal Placement and Movement
(Tab C - Pages C-5 and C-7, paras 9 and 11)

"During 1975 fewer than 120 employees sought out or were referred to PPB for job counselling. PPB succeeded in placing only about 10% of these problem cases, an unsurprising outcome considering that PPB amounted to a court of last resort after efforts by the component and Directorate failed to solve the problem."

"A more ambitious program by PPB would tend to interfere with management's responsibility; be more costly to operate and become overburdened by employees curious about opportunities elsewhere but not to the extent that they would be likely to transfer. We believe, therefore, that the prime responsibility and action must remain with management, including the Career Services, and that the Office of Personnel activity is about as it should be. This does not mean that the problem does not remain a serious one. It

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only indicates that there is relatively little the Office of Personnel can do about it beyond the efforts, especially by the Career Committee, now being pursued."

Comment:

The IG's recognition of the limits on how much SPD can do in the reassignment of personnel is appreciated, but we hope to improve on our record. The new careers occupational handbook under the aegis of the Careers Committee should facilitate the work, as will, we hope a new publication titled "Employees Available for Reassignment." This notice, the opposite of the Vacancy Notice, will advertise the qualifications of those personnel interested in a new assignment. It will be distributed to all offices to insure that individuals' qualifications are not overlooked.

15. Reference: Outplacement
(Tab D - Page D-6, para 11a)

"The capabilities of the counselors to find job possibilities outside the Washington area is very limited at present, according to C/RAD. We believe this might be improved by making more use of our

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16. Reference: Recruitment and Applicant Processing
(Tab E - Pages E-1 and E-2, para 2)

"The recruiters seemed knowledgeable enough about the Agency in generalities, but there is no question that recruiters without reasonably extensive experience elsewhere in the Agency are limited to their ability to convey the flavor of Agency employment to some applicants. We found evidence of this during our field visits. We would suggest that all new recruiters assigned to the field possess somewhat more Agency experience."

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Comment:

We agree with the comment that new recruiters assigned to the field should possess somewhat more Agency experience. For some time our plan has been that new recruiters would come from inside the Agency unless peculiar circumstances should dictate to the contrary. Certainly a recruiter from outside the Agency should be the exception, not the rule. Our intention, now being implemented, is to rotate Personnel Officers into recruitment assignments of approximately five years duration.

17. Reference: Recruitment and Applicant Processing
(Tab E - Page E-2, para 2)

"It is also suggested that during their slack season, usually the summers, present recruiters be brought to Headquarters and assigned to and work with the components for which they recruit. It is felt that this would give them a better appreciation for the needs of the components than, for instance, attending or monitoring courses at Headquarters."

Comment:

This suggestion presents somewhat of a problem, for under present operating procedures there is no particular "slack season." While it is true that during the summer the academic recruiting schedule is reduced, recently new emphasis has been placed on using this period for the development of non-academic sources. Furthermore, field recruiters work against requirements for all elements of the Agency rather than just a few components. Given the short duration of time that would be available, such training/work assignments would necessarily be superficial, devolving into a familiarization experience rather than an in-depth learning one.

18. Reference: Recruitment and Applicant Processing
(Tab E - Pages E-4 and E-5, paras 6, 7 and 8)

" . . . the inspection concluded that the Staff Personnel Division is doing everything possible at Headquarters to get applicant cases into the hands of the customers as quickly as possible. Much of the criticism about the amount of time that it takes to process an application was centered around the administration of the PATB . . . and the time that it takes a customer to decide whether or not to put a case in process."

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"We question whether the value of early administration of the PATB is sufficient in most cases, to justify the loss of good applicants probably generated by the delay entailed. . . . Offices might find that administration and prompt evaluation of the test during an applicant's Headquarters visit would satisfy their need. Decisions on this matter must be reserved to the Operating Components who best understand their personnel needs and the reasons for particular selection criteria. We believe they should be fully aware of the costs of present PATB practices in terms of lost applicants, extra recruiting efforts, and simply the dollar expended for administering the test in many localities, however. We suggest that this subject be included in the course for component managers"

"Another major cause of delay is the time taken by components to reach decisions about putting applicants in process. . . . We suggest . . . that statistics and horrible examples be assembled and presented to managers at the course mentioned above in the hope of increasing their awareness of the problem."

Comment:

While the IG's statement that SPD is doing everything at Headquarters to get applicant cases into the hands of the customers as quickly as possible is appreciated, we recognize a need to continue in our efforts to make the system work better. For example, although many offices are doing a better job of making their recruitment guides more specific, we need to get all offices to do this.

Preliminary statistics show that we are moving towards reducing the decision-making time from 60 to 50 days. However, we will not meet this MBO objective unless we can somehow get the CT Program to review files faster. We would hope that the IG will assist this effort when they review OTR. We have recently established a new system for the review of Hispanic-American applicants. If successful, we might be able to adapt the system to the review of files of Black applicants -- the other area besides CTP which takes far too long. Our list of delinquent files remains too long. We have decided to be more aggressive in retrieving these files and will do so at higher levels. Delinquent files means delinquent correspondence. In addition to retrieving files, we are tightening up on our procedures to see that applicants receive correspondence about every 30 days. We agree with the IG comments concerning

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19. Reference: Recruitment and Applicant Processing
(Tab E - Page E-6 and E-7, para 9)

"Our investigations from the Office of Personnel perspective supported the view that the CTP recruitment program indeed looks like a "massive overskill" (sic). The Office of Personnel activities are governed in many cases by personnel requirements specified by other components, however, and the program as a whole is managed by OTR. Therefore, this matter will be further reviewed during an OIG survey of OTR scheduled to start within two or three months. Recommendations for corrective action, if still indicated, will be included in the report of that survey."

Comment:

We would be most interested in the conclusion drawn by the IG Inspection Team which is scheduled to do an OTR survey in the near future. In the meantime, we will continue to provide as precise guidelines as we can to our field recruiters on the profile of a prospective CT applicant. The closer we can get to the mark, the fewer applicant cases need be submitted.

20. Reference: Recruitment and Applicant Processing
(Tab E - Page E-7, para 10)

"Shortages of clerical personnel were often cited by customers as reason for dissatisfaction with Office of Personnel recruiting efforts. Our examination of these efforts failed to suggest any dramatic new means of increasing the flow of new clerical employees."

Comment:

The history of the Agency shows that we never seem to have the proper number of clericals in process. We studied this for several months and believe that we now have fine-tuned our requirements.

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Recruiters now understand that clerical applicant input must be maintained on a steady, year-round basis and that we cannot rely on June high school graduates to meet our requirements on a year-round basis. In order to keep our clerical requirements filled, it may be necessary to exceed our clerical ceiling in the summer months using the difference between our professional on-duty strength and ceiling to absorb clerical overages.

21. Reference: Customer Perceptions of Agency Personnel
Policy Development
(Tab H - Page H-1, para 2)

"Initiatives in personnel management are often taken in CIA by people other than the Director of Personnel. An outstanding example are those inspired by the then DCI that led, through recommendations of a Personnel Advisory Study Group (PASG) report, to an effort still underway called "New Approaches to Personnel Management."

Comment:

The Personnel Approaches Study Group (PASG) was the result of a suggestion made by the Director of Personnel to prevent a fragmented approach to changing the personnel management system in the Agency. The Office of Personnel was already involved in a low-key study to make some needed changes. The backing of top management, especially Mr. Colby, resulted in a much more comprehensive revamping than would have been possible otherwise.

During late 1972 and early 1973 the Office of Personnel was actively involved in reviewing current personnel management policies and procedures in the Agency. Staff proposals were written on fitness reports, employee mobility, executive development, counseling, etc. Mr. Colby, then Executive Director-Comptroller, was sounded out on some of these proposals and was most encouraging in his support. He made it clear that he had a personal interest in personnel management and would be receptive to other proposals on needed changes.

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About the same time, others were taking a look at some of the same problems and submitting reports to the Director:

MAG, "Career Services: Need for Change" (7 May 73)

IG, "Agency Career Services" (Apr 73)

[REDACTED] "Personnel Management in CIA"

(15 Mar 73)

On 1 June 1973 the CIA Management Committee met and spent almost the entire meeting discussing personnel management issues raised by these papers. The Director of Personnel advised the Committee that the points raised

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should not be considered independently of other aspects of personnel management and that he should be allowed to develop an integrated approach. The Committee agreed and directed the Director of Personnel to set up a study group to make specific recommendations on changes in the personnel management system.

Each Deputy Director appointed a representative to the study group and it became known as the Personnel Approaches Study Group (PASG). The Office of Personnel/Plans Staff provided the staff support for the PASG Report and has continued to work with the Directorates in implementing the new approaches.

22. Reference: Customer Perceptions of Agency Personnel
Policy Development
(Tab H - Page H-4, para 7)

"(The Careers Committee will meet periodically) . . . to assign study projects. The first such are directed at realizing the PASG objective of more inter-Directorate transfers as well as providing better job counselling and career guidance."

Comment:

The Careers Committee was established for the primary purpose of serving as a mechanism to facilitate the exchange of information among Career Services. Career Service Heads were not given to understand that the Committee would be working on career patterns that would involve inter-Directorate personnel movements. It can be said that the Committee intends to promote greater willingness among Agency managers to consider and recognize the transferrability of skills between more occupational groups than is the case at the moment. The Committee through this approach of studying and analyzing the facts of movements of personnel between occupational groups expects to broaden the career prospects for those able employees caught by lack of growth opportunity in their own component. Developmental Profiles prepared as part of a PDP requirement serve as reference and point of discussion in searching out and addressing various career management issues. Likewise, the role and responsibilities of Agency career counselors will be an area of focus for the Committee. No doubt one of the unannounced objectives of the Committee is to do what it can to minimize the bias which currently impedes intra-Agency personnel movements of talented and valuable employees.

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INSPECTOR GENERAL

76-2375

22 JUN 1976

MEMORANDUM FOR: Deputy Director for Administration

FROM : Inspector General

SUBJECT : Office of Personnel Survey Report

REFERENCE : Memo for IG from D/PERS dated 28 May 1976, Subject:
Response to the Inspector General's Report of Survey
of the Office of Personnel (March 1976)

1. Thank you for the serious and extensive reply to the subject survey, which was prepared by the Director of Personnel and forwarded through your Office to me. I am gratified that we have no important differences about the first six of the ten recommendations in the survey report. Our comments on the apparent differences with regard to the other four recommendations follow.

2. Recommendation Nos. 7, 8 and 9 deal with the position, management and compensation function of the Office of Personnel. The Director of Personnel obviously disagrees with these recommendations and has proposed an alternative solution. His lengthy critique of the text dealing with this subject indicates the existence of semantic problems and our failure, in efforts to obtain brevity, to get our meaning across. For example, the comments deal in depth with the adverse outcomes of "decentralized" position management and compensation experiments by other agencies in the evident belief that we had proposed such systems for CIA. I believe the examples cited refer to cases in which essentially the entire function and the means to carry it out were assigned to various major organizations within departments or agencies. We have not recommended such a change but stated, "...we doubt that decentralization, in the sense of assigning classifiers to Directorates, would be desirable in this Agency....We believe his [the Director of Personnel's] central control of Agency position classification experts is essential to the provision of uniform classification standards and to monitoring the application of those standards within the Directorates..." Further, our Recommendation No. 8 states, "That the Director of Personnel monitor Directorate and DCI area adherence to their allocations [of staff manpower ceilings, senior slots and average grade] and to job/pay equity

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and recommend appropriate DCI action in cases where he cannot resolve differences with the Deputy Director concerned." Moreover, the changes in PMCD activities proposed in Conclusion G-3 through G-5 and recommended for adoption in Recommendation No. 9 do not involve controversial differences in how PMCD personnel perform their position evaluation functions, except those relating to the frequency of periodic surveys and the inclusion in those surveys of judgments on organization and management in cases where such considerations are not dominant in evaluation of position grades. We do not, therefore, believe that our recommendations involve "decentralization" of the degree or type that has been demonstrated to be ineffective when tried in other organizations.

3. We are apparently in agreement that a change is needed in the position management and compensation system in addition to the steps now underway to improve and expand PMCD staffing, develop and implement a Factor/Benchmark position evaluation system and improve PMCD's ability to service component needs promptly. The change involves use of a more effective decision mechanism to settle unresolved disagreements about position grades. In the case of both proposals that decision authority would be the DCI, the DDCI, or the EAG, depending on the Director's wishes. In both cases efforts to resolve disagreements would first involve discussions between the Director of Personnel and a Deputy Director (or his representative). The major difference between the procedures that would be followed under our different proposals is whether these discussions would be initiated by a Deputy Director in order to obtain authentication of a new Staffing Complement, or by the Director of Personnel when, in his view, a Staffing Complement approved by a Deputy Director conflicts with job/pay equity or causes the Directorate to exceed its allocation of staff manpower ceilings, senior slots, or average grade. We do not believe that the difference, assuming energetic enforcement by the Director of Personnel in either case, necessarily involves a different outcome in terms of grade-creep or job/pay equity. The difference really involves the less tangible but perhaps important effects of the transfer of initiative implicit in the transfer of Staffing Complement authentication authority.

4. The Office of Personnel proposal really involves little or no change from authorities that already exist--and have rarely been used. The Director of Personnel notes that Staffing Complements are not (and under present regulations cannot be) changed without the concurrence of the Operating Component. A Deputy Director thus retains the option of avoiding undesired changes by deferring resolution of issues and meeting his needs through the use of his assignment authority and multiple slotting or PRA adjustments. This continues the practice of maintaining actual organizations that differ in many cases from their official Staffing Complement and tends to degrade the use of these documents by top management as a basis for "recruitment, assignment, retention and promotion of the work force." It may also generate pressure, such as

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that referred to on page 3 of the Director of Personnel's memo, for separate manning tables for individual Offices. Since the leadership of three of the four Directorates has recently changed, their attitudes might change spontaneously or be changed by clear policy guidance from the DCI or DDCI. Considerable resistance to such a change would exist, however, since it would be perceived as giving more "clout" to PMCD recommendations. Our survey indicated very widespread managerial dissatisfaction with such recommendations--in many cases more than that to be expected from the adversary aspects inherent in PMCD's role. Forthcoming changes--use of the Factor/Benchmark position evaluations, greater component involvement in position evaluations and more Directorate personnel on rotational assignments to PMCD will probably help to improve these attitudes, but considerable time and experience will be needed.

5. The transfer of Staffing Complement authentication authority to the Deputy Director would probably be perceived by managers as reducing PMCD's "clout". Whether it actually would have that effect would depend on the energy and effectiveness with which the Director of Personnel's monitoring functions were carried out. At least initially, however, managerial reaction to the change could be more favorable, perhaps generating a less defensive and more cooperative attitude in their dealings with PMCD. Directorate procrastination would still be possible, but the initiative in bringing disagreements to decision would pass to the Director of Personnel. Ambiguities that may now exist as to responsibilities for holding average grade, senior slots and supergrades within Directorate allocations would be clarified, and all, rather than part, of the means to carry out these responsibilities would be available to the Deputy Directors, subject to monitoring by the Director of Personnel. On the debit side is the fact that the Director of Personnel would be placed in the position of challenging decisions already made, rather than simply withholding approval, and might be inclined to allow too many minor violations rather than burden the DDCI (or other appeal authority) with a flood of minor disputes.

6. On balance we remain persuaded that both proposals are worth consideration by higher authority. If you agree that the key issues have been properly identified, I suggest that we review the question together with Hank Knoche before preparing papers for a DCI decision.

7. The remaining sticky questions deal with the frequency and content of periodic PMCD surveys. Since we both agree that such surveys should not interfere with prompt and rapid service of reorganization or other more immediate needs for PMCD assistance, the frequency will be governed by resources available and need not be an issue between us. Similarly, although we differ on the need for PMCD recommendations regarding the organization and management of component personnel, the difference is apparently one of degree. As long as PMCD recommendations

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on such subjects are presented as non-binding suggestions (except when they dominate position evaluation findings), we will withdraw active opposition to the practice, although we remain unconvinced that it is universally necessary or useful.

8. The last two parts of the Director of Personnel's alternative approach (paragraph d. and e., page 17 of the Director of Personnel's response) are not at issue. We believe partial rotational manning could be useful (although two-year tours might be a little short), and would expect PMCD subjects to be included in the course we recommended in Recommendation No. 10. Similarly, the length of time required for that course could be varied from five to three days if you believe the necessary material can be covered in that time. We feel strongly that Office level managers and deputies, who are most directly involved in matters involving general CIA personnel policy, should attend the course. Division chiefs would also benefit, but we are less convinced that mandatory attendance should include Branch chiefs. We would be interested in the Director of Personnel's reasons for proposing this alteration, which is likely to make the course more costly and burdensome on components.

9. We appreciate the corrections and comments on the text of our report furnished as Tab C in the Director of Personnel's response. We will make these comments a part of our permanent file on this survey. We are gratified at the actions taken (or that were earlier underway) relating to our suggestions. We are also pleased to learn that the Office of Personnel activity in developing innovations in Agency personnel management has been even more extensive than we noted during the inspection.

Donald F. Chamberlain
Inspector General

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cc: Director of Personnel

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Prepared by: OIG /nh (18 June 1976)

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